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10 **BEFORE THE INSURANCE COMMISSIONER**
11 **FOR THE STATE OF WASHINGTON**

12 In the Matter of the Application
13 regarding the Conversion and
14 Acquisition of Premera Blue Cross
15 and its Affiliates

NO. G02-45

EIGHTEENTH ORDER: DENIAL
OF PREMERA'S MOTION TO
CLARIFY SEVENTEENTH
ORDER AND DECLARE FORM A
COMPLETE

16 Premera has filed a motion requesting that the Insurance Commissioner declare
17 the Form A complete and modify the language of the Seventeenth Order regarding the
18 terms of the proposed transaction subject to review in these proceedings. The OIC
19 Staff and the Interveners have filed responses opposing the motion. Premera's motion
20 is denied for the following reasons.

21 The focus of Premera's request revolves around the status of the stock
22 ownership plan that Premera submitted to the OIC Staff on October 17, 2003, two days
23 after the deadline for filing an amendment to the Form A. Premera has repeatedly
24 stated that it did not amend the Form A by submitting the plan. It is Premera's
25 position that the inclusion of a detailed stock ownership plan, such as the one
26 submitted on October 17, 2003, is not a necessary part of a Form A. Regardless,

1 Premera acknowledges that the OIC Staff has asserted that it is a required document of
2 the Form A and that I would consider the Form A deficient without a detailed stock
3 ownership plan. Premera insists, on the one hand, that the submittal of the stock
4 ownership plan is not an amendment to the Form A. On the other hand, it asserts that
5 the Form A should be declared complete now that the plan has been submitted. The
6 OIC Staff and its experts argue, that even with the submittal of the stock ownership
7 plan, there are other deficiencies that would render the Form A incomplete.

8 RCW 48.31B.015 and 48.31C.030 provide that within 60 days of declaring the
9 Form A complete I shall render a decision on the transaction. There has been litigation
10 in this case regarding the interpretation of that requirement. *Premera v. Kreidler*,
11 Thurston County Superior Court, Civil Case No. 03-2-00112-8. That litigation was
12 resolved with an agreed stipulation that I would issue a decision on or before March
13 15, 2004. There is now no need to make a declaration regarding the completeness of
14 the Form A in order to trigger the time for a decision.

15 The central issue in these proceedings is whether Premera's proposed
16 transaction, as described in the Form A submitted as of October 15, 2003, should be
17 approved or disapproved under the criteria of the Holding Company Act. Any dispute
18 among the parties regarding the completeness of the Form A and/ or deficiencies in the
19 Form A can be addressed in my review of the transaction. In reaching a decision, I
20 will consider the terms of the transaction as described in the Form A submitted by
21 Premera as of October 15, 2003, which was the deadline for filing amendments. I will
22 also consider all the admitted evidence submitted by the parties during the rest of these
23 proceedings regarding those terms. As a part of that evidence I will consider the terms
24 of the detailed stock ownership plan submitted on October 17, 2003, and thus I have
25 asked the OIC Staff to have its experts review and report on the plan.

